

GRAINS AND OILSEEDS OUTLOOK FOR 2007¹

Prepared by Members of the
Wheat, Feed Grains, Rice, and Oilseeds Interagency Commodity Estimates Committees
U.S. Department of Agriculture

Introduction

This paper provides supply, use, and price projections for 2007/08 for wheat, corn, rice, and soybeans and products. The first official USDA supply and use projections will be published May 11, when the National Agricultural Statistics Service publishes the first forecast of winter wheat production. Projections presented in this paper are based on the *Winter Wheat Seedings* report and analyses by members of the Interagency Commodity Estimates Committees for Wheat, Feed Grains, Rice, and Oilseeds. Production projections assume normal weather conditions for spring planting and summer crop development.

The early outlook for 2007/08 is shaped by continued expansion in ethanol production and higher corn prices which are expected to drive corn plantings to their highest level in more than 60 years. With normal weather and sharply higher acreage, 2007 corn production is expected to be record high. Despite the substantial rise in corn production, demand growth is expected to outpace supply growth again in 2007, leaving ending stocks down for a third straight year and driving the season average farm price to a new record in nominal terms. A sharp reduction in soybean planted area combined with an expected return to trend yields will leave projected soybean production at the lowest level in four years. With record carryin from last year's crop partly offsetting reduced production, and only limited gains in demand due in part to higher prices, 2007/08 soybean ending stocks are projected to remain at historically high levels. Increased winter wheat plantings driven by high wheat prices last fall and a return to trend yields are expected to boost wheat production in 2007/08. With high corn prices, wheat feeding is expected to expand in 2007/08. Wheat exports are also expected higher, but with substantial competition from other major exporting countries, export growth will be limited. As a result, wheat ending stocks are projected to rise modestly in 2007/08. Declining 2007/08 ending stocks for corn and soybeans boost price prospects for these commodities. Rising corn prices also support higher season average farm prices for wheat as feed wheat values rise. Rice prices are projected higher for 2007/08 based on higher world prices and slightly smaller domestic supplies. Farm program outlays are not expected for 2007-crop corn, soybeans, wheat, and rice marketing assistance loan benefits and counter-cyclical payments.

Planted Acreage Outlook for 2007 (Table 1)

The unprecedented ongoing expansion in ethanol production capacity drives the 2007 acreage outlook as corn demand for ethanol is expected to rise sharply during the 2007/08 marketing year. Higher corn prices and to a lesser extent soybean and wheat prices are contributing to stronger expected returns for all three crops. Combined corn and soybean planted area is projected at a record 157.5 million acres, up 3.7 million from 2006 and 1.4 million higher than the previous record in 2004. Total wheat plantings

¹This paper incorporates contributions by analysts from the World Agricultural Outlook Board, the Economic Research Service, the Foreign Agricultural Service, and the Farm Service Agency.

are expected to increase as higher wheat prices last fall boosted winter wheat seedings. The increase in winter wheat area will be partially offset by lower spring wheat plantings in the Northern Plains.

Combined corn, soybean, and wheat planted area is projected at 217.5 million acres, the highest since 1998. Strong prices and higher net returns for the three major field crops is expected to shift production away from other crops, especially upland cotton, and draw additional land into field crop production. Planted area for the 8 major crops (wheat, feed grains, soybeans, upland cotton, and rice) is projected at 246.6 million acres, up 3.5 million from 2006, but still below the 248.7 million acres planted to these crops in 2004.

Wheat planted area in 2007 is expected to increase 2.7 million acres to 60 million acres. With higher prices at planting time last fall, winter wheat seeding is reported at 44.1 million acres, up 3.5 million acres from 2006. Hard Red Winter area is expected to expand in all major producing states, while a wet fall in the eastern Midwest has moderated the increase in Soft Red Winter plantings. Gains in winter wheat will be partially offset by lower spring wheat plantings, given strong prices for competing crops in the Northern Plains. Wheat harvested area is also expected to recover following last year's increased abandonment due to drought. Current winter wheat conditions and moisture levels in the Southern and Central Plains are much better than a year ago.

Corn acreage for 2007 is expected to increase 8.7 million acres from 2006. At 87 million acres, corn plantings would be their highest since 1946. Corn prices rose sharply last fall topping \$3 per bushel in futures and cash markets in October. New-crop futures prices have topped \$4 per bushel in recent weeks as have cash prices in some markets. Expected producer returns based on new-crop futures prices have increasingly favored corn relative to soybeans during this price run-up. The projected increase in corn planting is largely expected to result from a shift away from soybean planting, particularly in the Corn Belt where more corn-on-corn plantings are expected. Corn area is also expected to gain from shifts from spring wheat in the Northern Plains and from cotton in the South.

Rice planted acreage for 2007 is projected at 2.9 million acres, up just 62,000 acres from last year. A rebound in California plantings is expected to more than offset a reduction in rice acreage in the South. The contraction in rice plantings in the South is based on high prices for competing crops, expectations of another year of high fuel and fertilizer costs, and uncertainty resulting from finding trace amounts of Genetically Engineered (GE) rice in 2006 U.S. long grain supplies.

Soybean acreage for 2007 is projected at 70.5 million acres, down 5 million acres from last year's record as producers respond to attractive corn prices this spring. Most of the reduced planting is expected to be the result of producers' decisions to switch from soybeans to corn throughout the Corn Belt. However, with new-crop soybean futures exceeding \$8 per bushel, the total reduction for soybean acreage may be moderated as producers in the Northern Plains find its potential returns more competitive within that region's crop rotations. Double-cropping of soybeans in the Soft Red Winter wheat areas of the South and Midwest is also likely to expand.

Wheat Supply, Demand, and Price outlook for 2007/08 (Table 2)

Wheat Supplies: Wheat production in 2007 is expected to increase 20 percent to 2,170 million bushels, driven by a rebound in yield following last year's drought in the Great Plains and higher harvested area. Larger production more than offsets lower beginning stocks and a decline in imports, leaving total supplies up 10 percent.

The national average yield is projected at 42.5 bushels per acre based on trends by major class for 1985-2006. This is up 3.8 bushels from 2006 when yields declined for all classes of wheat except Soft Red Winter. Higher harvested area reflects a 5-percent rise in planted area and an expected increase in the harvested-to-planted ratio (based on a 10-year average). Current moisture conditions are generally favorable for Hard Red Winter wheat areas, particularly when compared with dry conditions a year ago. Severe cold in February has been a concern in some Midwestern Soft Red Winter wheat areas with little or no snow cover.

Imports are projected to decline in 2007/08 with reduced shipments from Canada. Soft wheat imports are expected to shrink because of sharply lower soft wheat production in eastern Canada. Hard wheat imports are expected to decline slightly as a result of higher U.S. hard wheat production.

Wheat Domestic Use: Domestic wheat use is expected to increase 14 percent to the highest level in 7 years, driven by a doubling of feed and residual use. Larger crops of Hard Red Winter and Soft Red Winter wheat and much higher corn prices relative to wheat, especially during the summer quarter (June-August 2007), will promote wheat feeding. A larger crop is also expected to increase residual disappearance use including handling losses. Food use is expected to continue to increase at a rate that is slower than population growth, leaving per capita flour use down slightly.

Wheat Exports: Despite much larger expected production, U.S. wheat exports are expected to rise only 6 percent to 925 million bushels in 2007/08. With tight supplies and low stocks expected in most major competitors entering the summer of 2007, the United States will likely have a window of opportunity for large, new crop sales. However, as new crop supplies become available in Europe and the Black Sea region, the United States could face very strong competition in key Mediterranean markets. High prices at planting encouraged expanded winter wheat area by many of these competitors, and with a return to better yields, their exportable supplies could be much larger. Production in Australia is also expected to recover from last year's drought boosting world supplies. In addition, high U.S. corn prices will likely support domestic U.S. wheat prices and hurt the competitiveness of U.S. wheat in the global market.

Wheat Ending Stocks and Farm Prices: Larger wheat supplies more than offset increased use in 2007/08, leaving ending stocks up 34 million bushels. The projected ending stocks-to-use ratio declines slightly to 22.6 percent, from a projected 23.3 percent in 2006/07. The price received by producers is expected to average \$4.30 per bushel, up 5 cents from the midpoint of the projected price range for 2006/07.

Corn Supply, Demand, and Price Outlook for 2007/08 (Table 3)

Corn Supplies: Corn planted acreage for 2007 is projected at 87 million acres, up 8.7 million acres from 2006. The dramatic rise in corn prices has substantially increased net returns (total returns including marketing loan benefits less variable costs) per acre for corn relative to other crops. Based on the 2007/08 outlook, expected net returns for corn have increased \$209 per acre compared with expected net returns last year at this time for the 2006 crop. Expected net returns for soybeans and wheat have increased \$75 per acre and \$42 per acre, respectively, compared with expected 2006 net returns last year at this time. This substantial increase in relative profitability for corn production is expected to drive corn acreage expansion largely at the expense of soybeans in the Corn Belt and Central Plains. Spring wheat in the Northern Plains, rice in the Delta, and upland cotton throughout the South are also expected to lose area to corn in 2007.

Sharply higher planted area and higher expected yields in 2007 are projected to push corn production to a record 12,195 million bushels. This is up 1,660 million bushels from 2006 and 388 million higher than the current record in 2004. With normal abandonment and silage production, 79.8 million acres are expected to be harvested for grain. The national average yield is projected at 152.8 bushels per acre based on trend analysis of 1990-2006 yields. This forecast reflects yield gains in recent years attributable to earlier planting, higher plant populations, and improved genetics, as higher farm income has boosted producer investment in equipment and driven rapid adoption of the latest crop genetics.

The large area expansion adds uncertainty to the 2007 outlook. While total availability of seed will be sufficient to handle the increased plantings, demand for the best hybrids may exceed supply lowering yield potential on some of the additional acres. The national average yield will also be affected by where planting expansion ultimately occurs. Acreage expansion naturally puts some downward pressure on yield gains due to corn-on-corn rotations and planting on lower-yielding land, such effects will be partly mitigated by higher input use and more intensive crop management as a result of the increased value of production. The impact of area expansion will be better understood when state-by-state producer planting intentions are reported in the March 30, 2007, *Prospective Plantings*.

Corn supply is projected at 12,962 million bushels for 2007/08. This is up 4 percent from 2006/07, but remains short of the 2005/06 record when a 2,114-million-bushel carryin boosted available supplies to 13,237 million. Despite, an expected record production and higher year-to-year supplies in 2007/08, growth in supply will fall short of the growth in demand for a third straight year as rising ethanol production pushes corn use substantially higher.

Corn Use: Corn use will be dominated by gains in domestic use in 2007/08 as corn based ethanol production is expected to grow at a record pace. Domestic disappearance is projected at a record 10,400 million bushels, up 9 percent from 2006/07. Higher corn use for ethanol more than offsets lower feeding and exports in 2007/08 leaving total use up 5 percent at a record 12,325 million bushels. Feed and residual use remains the largest single component of corn disappearance, but ethanol use is expected to exceed exports in 2007/08 for the first time.

Corn Feed and Residual Use: Feed and residual corn use for 2007/08 is projected at 5,800 million bushels, down 3 percent from 2006/07 despite an expected increase in grain consuming animal units of about 1 percent. Livestock production is expected to continue its expansion in calendar year 2007, but higher feeding costs will pressure growth in 2008. Increased ethanol production will add distillers grains to available feed supplies, helping to moderate the impact of tighter corn supplies and higher prices.

Low inclusion rates for distillers grains in swine and poultry rations will limit the ability of producers of these animals to control feeding costs. For broilers, production adjustments during 2006 have strengthened broiler price prospects which are expected to support slightly higher production during 2007/08. Growth in pork production in 2007/08 is expected to slow as higher feed costs pressure expansion. The cattle inventory should continue its expansion as improving soil moisture conditions in the Central and Southern Plains support improvement in pasture conditions and forage crops in 2007. Improved pasture will keep calves on grass longer reducing feed lot stays and corn feeding demand.

Increased feeding of distillers grains, particularly to beef cattle and dairy cows, and more wheat feeding will reduce corn feed use in 2007/08. Availability of corn gluten feed, a by-product from wet-milled corn made into ethanol and other products, is also increasing, as exports continue to decline. As a result, more corn gluten feed is also expected to be used for domestic feeding.

Corn Food, Seed, and Industrial Use: Food, seed and industrial use of corn in 2007/08 is expected to total 4,600 million bushels, up from 3,500 million in 2006/07. Most of the increase will come from growth in ethanol production, but other uses are also expected to increase. High fructose corn syrup production is expected to increase modestly in 2007/08 mostly reflecting increased exports to Mexico. Glucose and dextrose production from corn is expected to grow slowly at a rate consistent with population growth as this market appears to have reached maturity. Corn used for starch is expected to increase reflecting growth in the economy which will drive demand for paper and building materials. Beverage and industrial alcohol and food uses are also expected to grow at a modest rate reflecting population growth.

Corn Ethanol Use: Corn use for ethanol production in 2007/08 will be driven by the continued expansion in ethanol production capacity. Ethanol corn use for 2007/08 is projected at 3,200 million bushels, up 49 percent from the current year projection of 2,150 million bushels. At this level, 2007/08 ethanol corn use will account for 26 percent of total corn use, up from a projected 18 percent for 2006/07.

Ethanol production capacity is expected to expand at an unprecedented rate during the rest of 2006/07 marketing year and through 2007/08. Ethanol plant data reported by the Renewable Fuels Association (RFA) as of February 12, 2007, put existing ethanol production capacity at 5.6 billion gallons annually. RFA also reports new plant constructions and existing plant expansions that will add an additional 6.2 billion gallons, bringing the RFA total annual production capacity to 11.8 billion gallons. This is up from a combined capacity of 7.8 billion gallons projected last September by RFA as new plant construction start-ups have moved forward at an amazing pace (more than doubling) since the beginning of the current marketing year.

The current pace of plant construction and expansion indicates that ethanol production capacity will surpass the 7.5-billion-gallon mandate under the Energy Policy Act of 2005 (2005 Act) early in the 2007/08 marketing year. The 2005 Act requires that renewable fuel use in gasoline reach 7.5 billion gallons by calendar year 2012. As ethanol production continues to grow during 2006/07 and 2007/08, plant utilization is expected to fall modestly from current levels near 100 percent. Expansion in transportation, storage, and handling infrastructure for ethanol and coproducts is expected to lag the pace of growth in ethanol production capacity putting downward pressure on margins and returns for ethanol producers. However, corn prices, as currently forecast, remain supportive of continued profitability for the sector albeit at a reduced level from that experienced prior to the rise in corn prices this past fall. Returns from ethanol production will also continue to be heavily influenced by energy prices as ethanol prices follow wholesale gasoline prices. With the 51-cent-per-gallon tax credit for ethanol blending and the continuation of the 54-cent-per gallon ethanol import tariff, demand for domestically produced ethanol is expected to experience record growth again in 2007/08.

Corn Exports: U.S. corn exports are projected down 325 million bushels (8.3 million tons) in 2007/08 to 1,925 million bushels. Global import demand is expected to drop nearly 3 million tons. Corn trade will be reduced as the high corn price encourages increased production in some importing countries and the use of alternative feeds. For example, feed use of wheat will expand because world wheat production is expected to increase significantly. Avian influenza is not expected to have a large effect on global corn trade in 2007/08. World poultry producers have proven resilient in dealing with outbreaks as commercial flocks are quickly repopulated.

Strong competition, especially from Argentina and Brazil, is expected to reduce U.S. market share in 2007/08. U.S. corn exports during the first half of 2007/08 will face intense competition compared with a year earlier. Projected record corn yields in Argentina and Brazil will boost exportable supplies later in calendar year 2007 from crops that are just now beginning to be harvested. China remains a key market factor, as a continued, gradual decline in corn exports is projected due to growth in domestic use and falling stocks. However, China is expected to remain a significant net exporter of corn in 2007/08.

Corn Ending Stocks and Market Prices:

Ending stocks for corn are projected to fall to 637 million bushels for 2007/08, down 115 million or 15 percent from the 2006/07 projection. At this level, 2007/08 stocks will be one-third their level in 2005/06. The stocks-to-use ratio is projected at 5.2 percent, down from a projected 6.4 percent for the current year and down from 17.5 percent in 2005/06. Tightening stocks will keep substantial upward pressure on prices in 2007/08, with the average price received by farmers projected at \$3.60 per bushel, up \$0.40 from the mid-point of the 2006/07 forecast, and \$1.60 higher than in 2005/06. Cash corn prices, however, may remain closer to current levels than suggested by the year-to-year change in season average prices received by producers. Producers forward priced a substantial portion of 2006-crop corn prior to last fall's price run-up keeping 2006/07 prices received by producers lower than might be expected given cash market prices since September.

Rice Supply, Demand, and Price Outlook for 2007/08 (Table 4)

Rice Supplies: Rice planted acreage for 2007 is projected at 2.90 million acres, up 2 percent from last year, but more than 13 percent below plantings in 2004/05 and 2005/06. Assuming a normal harvested-to-planted ratio, harvested rice area is projected to increase 2 percent to 2.88 million acres in 2007. Using acreage-weighted trend yields by state, the 2007/08 average yield is forecast at a record 7,007 pounds per acre, up 2 percent from a year earlier. Production is projected to increase 4 percent to 202.0 million cwt, still 13 percent below the 2004/05 record. Despite a larger crop, total supplies are projected to decline 1 percent to 251.9 million cwt, the smallest since 2003/04. Long-grain accounts for all of the projected supply contraction as larger medium grain plantings and a return to normal yields boosts medium grain supplies. Carryin of all rice is projected at 30.4 million cwt, down 29 percent from a year earlier. Imports are projected to increase 5 percent to a record 19.5 million cwt, with long-grain aromatic varieties from Asia accounting for most of the increase.

Rice Use: Total use of rice has increased about 17 percent over the past decade, with increases in domestic use accounting for slightly more than half the expansion. Total use is projected at 222.8 million cwt, a 1-percent decline from a year earlier and the second consecutive year of a reduction in total use. Exports account for all of the expected decline in total use in 2007/08 as in 2006/07.

Rice Domestic Use: Total domestic and residual use in 2007/08 is projected at 124.8 million cwt, an increase of nearly 2 percent from a year earlier and the highest on record. Growth in total domestic and residual use has slowed since the 1990s, when annual increases averaged almost 3.5 percent. Despite the slower growth, the rate of annual increase in domestic and residual use still exceeds the population growth rate, indicating increasing per capita disappearance of rice.

Rice Exports: Total U.S. rice exports in 2007/08 are projected at 98 million cwt (rough equivalent of rough, brown, and milled rice exports), a 4-percent decline from a year earlier and the second consecutive year of decline in U.S. exports. Exports in 2007/08 are projected to be the smallest since 2001/02. Slightly smaller U.S. supplies, higher prices, and a wider price difference over Asian

competitors are the main factors behind the weaker U.S. export forecast for 2007/08. In addition, U.S. shipments to the European Union (mostly brown rice) are expected to be limited for a second consecutive year due to costly testing requirements to verify the absence of any GE traits in U.S. varieties. Milled rice (including brown rice) is projected to account for all of the decline in U.S. exports. In contrast, rough rice exports, shipped mostly to core U.S. markets in Latin America, are projected to continue a long-term increase. By class, long-grain exports are projected to account for all of the U.S. rice export decline, mostly due to smaller supplies and reduced price competition in milled rice markets. In contrast, U.S. medium/short-grain exports are projected to increase in 2007/08, a result of larger supplies and stable-to-increasing sales to Northeast Asia and extremely tight supplies in Australia—a major U.S. competitor in Oceania and parts of the Middle East—caused by severe drought. Global rice trade is projected to increase in 2007, primarily due to increased imports by Southeast Asia, Sub-Saharan Africa, and South America, markets where the U.S. is typically not price competitive.

Rice Ending Stocks and Market Prices: U.S. rice ending stocks are projected at 29.1 million cwt in 2007/08, a 4-percent drop from a year earlier. The stocks-to-use ratio is calculated at 13.1 percent, fractionally below a year earlier and the smallest since 2003/04. The U.S. season-average farm price is projected at \$10.50 per cwt, well above the \$9.75 midpoint of the 2006/07 projected range and the highest since 1980/81. The strong price forecast for 2007/08 is based on higher world prices and slightly smaller U.S. supplies. In addition, California production is expected to account for a larger share of the total U.S. crop in 2007/08. California rice, predominately medium/short grain, typically sells at a higher price than southern long- or medium-grain rice.

Soybean Supply, Demand, and Price Outlook for 2007/08 (Table 5)

Soybean Supplies: Soybean production for 2007/08 is projected at 2,880 million bushels, 10 percent below last year's record crop. Planted acreage is projected at 70.5 million acres, down 5 million from last year's record. Despite new-crop futures prices exceeding \$8 per bushel, this year's sharp increase in corn net returns relative to soybeans is expected to lead to unprecedented shifts toward corn planting. Exceptional late-season weather in much of the growing region has resulted in above-trend yields for the past three years. With normal weather, yields are expected to return to trend, projected at 41.5 bushels per acre. The 2007 yield is based on regional trend yields for 1989 to 2006. Acreage contraction, especially in the higher-yielding Corn Belt, is likely to put some downward pressure on yield gains. The impact of area expansion will become more clear when producer planting intentions are reported in the March 30, 2007, *Prospective Plantings*. Soybean supplies for 2007/08 are projected at 3,479 million bushels, down 4 percent from 2006/07. Record large carryin stocks moderate the effect of lower production on 2007/08 soybean supplies.

Soybean Domestic Use: Soybean domestic use is projected at 1,984 million bushels, up 2 percent from 2006/07. Despite higher soybean prices, strong product prices and relatively large soybean supplies are expected to support a modest increase in domestic crushing. Soybean crush is projected at 1,820 million bushels, up just over 2 percent from 2006/07. Domestic soybean meal consumption is projected to increase 1-2 percent, limited by increased availability of corn by-products and by small expected gains in poultry and hog production due to relatively high feed costs. Soybean meal prices are projected at \$205 per short ton, up 9 percent from the midpoint of the projected range for 2006/07. Higher corn prices are expected to continue to support meal prices. Soybean oil prices are also projected higher as growing worldwide demand for biodiesel is expected to keep prices for all vegetable oils firm. With global vegetable oil ending stocks relative to use projected for 2006/07 at the lowest in 30 years, soybean oil prices for 2007/08 are projected up 7 percent at 30.5 cents per pound.

Soybean Export Demand: U.S. soybean exports for 2007/08 are projected to reach 1,125 million bushels, up 2 percent from the 2006/07 forecast. Despite the increase, the U.S. share of global soybean trade is expected to decline as rising soybean prices are providing foreign producers with attractive production incentives. A significantly improved financial situation will enable Brazil's producers to pay down large debts and resume the soybean area expansion that was interrupted during the past two seasons. A record soybean crop for 2006/07 combined with a resurgence of soybean planting in 2007/08 is expected to give Brazil a higher share of 2007/08 world soybean exports. Argentina's share of world soybean trade is expected to decline as domestic processors continue to expand soybean crush and increase soybean product exports. Although international demand for soybean meal will remain strong, competition from Argentina in the product markets will limit potential gains for U.S. exports of soybean meal and oil.

China will continue to dominate the growth of global soybean imports due to its continued growing demand for soybean meal and oil combined with excess crushing capacity built over the past several years. Strong gains in soybean meal consumption will also be achieved in other Asian markets if efforts to control avian influenza are sustained. However, only modest soybean meal consumption gains are seen for the European Union, a market that still accounts for nearly half of world soybean meal trade and one-fourth of world soybean trade.

U.S. soybean meal exports are projected to increase by 3 percent in 2007/08 to 9 million short tons. The U.S. share of global soybean meal exports will be maintained near the 2006/07 level despite increased competition from Argentina as Brazil's share is expected to decline.

Despite less favorable returns for biodiesel production, soybean oil used for biodiesel is expected to expand by more than the increase in supplies in 2007/08. However, soybean oil exports are expected to decline only slightly to 1.425 billion pounds as soybean oil ending stocks decline for the second consecutive year.

Soybean Ending Stocks and Market Prices: Soybean ending stocks for 2007/08 are forecast at 370 million bushels, down 225 million from the record level of 2006/07. Despite the reduction, stocks are expected to remain at historically high levels in 2007/08. Market prices are projected to average \$7.10 per bushel in 2007/08, up from the \$6.20 midpoint of the 2006/07 projected range. Although U.S. and global soybean stocks are projected to be record large at the start of the 2007/08 marketing year, very strong corn prices, firm vegetable oil prices supported by biodiesel demand, and speculative demand for soybeans are expected to support soybean prices at relatively high levels.

Table 1. Wheat, Corn, and Soybean Planted Acreage, 2000-2007

	2000	2001	2002	2003	2004	2005	2006	2007 1/
	- Million Acres -							
Wheat	62.5	59.4	60.3	62.1	59.7	57.2	57.3	60.0
Corn	79.6	75.7	78.9	78.6	80.9	81.8	78.3	87.0
Soybeans	74.3	74.1	74.0	73.4	75.2	72.0	75.5	70.5
Total	216.4	209.2	213.2	214.1	215.8	211.0	211.2	217.5

1/ Projection

Note: Totals may not add due to rounding.

Source: 2000-2006 National Agricultural Statistics Service

Table 2. Wheat Supply, Demand, and Price, 2004/05-2007/08

	2004/05	2005/06	2006/07 1/	2007/08 2/
Area planted (mil. ac.)	59.7	57.2	57.3	60.0
Area harvested	50.0	50.1	46.8	51.0
Yield (bu./ac.)	43.2	42.0	38.7	42.5
Production (mil. bu.)	2,158	2,105	1,812	2,170
Beginning stocks	546	540	571	472
Imports	71	82	115	100
Supply	2,775	2,727	2,498	2,742
Feed & residual	182	153	145	300
Food, seed & industrial	987	993	1,006	1,011
Total Domestic Use	1,169	1,146	1,151	1,311
Exports	1,066	1,009	875	925
Total use	2,235	2,155	2,026	2,236
Ending stocks	540	571	472	506
Stocks/use (percent)	24.2	26.5	23.3	22.6
Season avg. farm price (\$/bu.)	3.40	3.42	4.25	4.30

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2007. The season average price is the mid-point of the projected range from the same report.

2/ Projections based on analysis by the Wheat Interagency Commodity Estimates Committee.

Note: Totals may not add due to rounding.

Table 3. Corn Supply, Demand, and Price, 2004/05-2007/08

	2004/05	2005/06	2006/07 1/	2007/08 2/
Area planted (mil. ac.)	80.9	81.8	78.3	87.0
Area harvested	73.6	75.1	70.6	79.8
Yield (bu./ac.)	160.4	148.0	149.1	152.8
Production (mil. bu.)	11,807	11,114	10,535	12,195
Beginning stocks	958	2,114	1,967	752
Imports	11	9	10	15
Supply	12,776	13,237	12,512	12,962
Feed & residual	6,158	6,141	5,975	5,800
Ethanol fuel	1,323	1,603	2,150	3,200
Food, seed & other industrial	1,363	1,378	1,385	1,400
Total food, seed & industrial	2,686	2,981	3,535	4,600
Total Domestic Use	8,844	9,122	9,510	10,400
Exports	1,818	2,147	2,250	1,925
Total use	10,662	11,270	11,760	12,325
Ending stocks	2,114	1,967	752	637
Stocks/use (percent)	19.8	17.5	6.4	5.2
Season avg. farm price (\$/bu.)	2.06	2.00	3.20	3.60

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2007. The season average price is the mid-point of the projected range from the same report.

2/ Projections based on analysis by the Feed Grains Interagency Commodity Estimates Committee.

Note: Totals may not add due to rounding.

Table 4. Rice Supply, Demand, and Price, 2004/05-2007/08

	2004/05	2005/06	2006/07 1/	2007/08 2/
Area planted (mil. ac.)	3.35	3.38	2.84	2.90
Area harvested	3.33	3.36	2.82	2.88
Yield (pounds/ac.)	6,988	6,636	6,868	7,007
Production (mil. cwt)	232.4	223.2	193.7	202.0
Beginning stocks	23.7	37.7	43.0	30.4
Imports	13.2	17.1	18.5	19.5
Supply	269.2	278.1	255.2	251.9
Total domestic & residual use	122.7	119.3	122.8	124.8
Exports	108.8	115.8	102.0	98.0
Total use	231.5	235.1	224.8	222.8
Ending stocks	37.7	43.0	30.4	29.1
Stocks/use (percent)	16.3	18.3	13.5	13.1
Season avg. farm price (\$/cwt.)	7.33	7.65	9.75	10.50

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2007. The season average price is the mid-point of the projected range from the same report.

2/ Projections based on analysis by the Rice Interagency Commodity Estimates Committee.

Note: Totals may not add due to rounding.

Table 5. Soybeans Supply, Demand, and Price, 2004/05-2007/08

	2004/05	2005/06	2006/07 1/	2007/08 2/
Area planted (mil. ac.)	75.2	72.0	75.5	70.5
Area harvested	74.0	71.3	74.6	69.4
Yield (bu./ac.)	42.2	43.0	42.7	41.5
Production (mil. bu.)	3,124	3,063	3,188	2,880
Beginning stocks	112	256	449	595
Imports	6	3	4	4
Supply	3,242	3,322	3,642	3,479
Crush	1,696	1,739	1,780	1,820
Seed & residual	192	187	166	164
Total Domestic Use	1,888	1,926	1,946	1,984
Exports	1,097	947	1,100	1,125
Total use	2,986	2,873	3,046	3,109
Ending stocks	256	449	595	370
Stocks/use (percent)	8.6	15.6	19.5	11.9
Season avg. farm price (\$/bu.)	5.74	5.66	6.20	7.10

1/ Acreage, yield, production, and beginning stocks are estimates from the National Agricultural Statistics Service. Imports, use, ending stocks, and season average farm price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2007. The season average price is the mid-point of the projected range from the same report.

2/ Projections based on analysis by the Oilseeds Interagency Commodity Estimates Committee.

Note: Totals may not add due to rounding.

Table 6. Soybean Meal Supply, Demand, and Price, 2004/05-2007/08

	2004/05	2005/06	2006/07 1/	2007/08 2/
Production (thou. short tons) 3/	40,715	41,242	42,421	43,285
Beginning stocks	211	172	314	300
Imports	147	141	165	165
Supply	41,073	41,555	42,900	43,750
Domestic Use	33,561	33,176	33,900	34,450
Exports	7,340	8,064	8,700	9,000
Total use	40,901	41,241	42,600	43,450
Ending stocks	172	314	300	300
Avg. price (\$/short ton) 4/	182.89	174.17	187.50	205.00

1/ Beginning stocks are estimates from the U.S. Census Bureau. Production, imports, use, ending stocks, and average price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2007. The average price is the mid-point of the projected range from the same report.

2/ Projections based on analysis by the Oilseeds Interagency Commodity Estimates Committee.

3/ The soybean meal marketing year is October through September.

4/ The average price is for 48-percent protein meal at Decatur, Illinois.

Note: Totals may not add due to rounding.

Table 7. Soybean Oil Supply, Demand, and Price, 2004/05-2007/08

	2004/05	2005/06	2006/07 1/	2007/08 2/
Production (mil. lbs.) 3/	19,360	20,393	20,165	20,710
Beginning stocks	1,076	1,699	3,019	2,689
Imports	26	35	55	60
Supply	20,462	22,127	23,239	23,460
Domestic Use	17,439	17,955	19,050	20,000
Exports	1,324	1,153	1,500	1,425
Total use	18,763	19,108	20,550	21,425
Ending stocks	1,699	3,019	2,689	2,035
Avg. price (cents/lb.) 4/	23.01	23.41	28.50	30.50

1/ Beginning stocks are estimates from the U.S. Census Bureau. Production, imports, use, ending stocks, and average price are projections from the *World Agricultural Supply and Demand Estimates*, February 9, 2007. The average price is the mid-point of the projected range from the same report.

2/ Projections based on analysis by the Oilseeds Interagency Commodity Estimates Committee.

3/ The soybean oil marketing year is October through September.

4/ The average price is for crude soybean oil at Decatur, Illinois.

Note: Totals may not add due to rounding.